GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2226
ANSWERED ON:14.03.2008
SCRAPPING OF IPOS BY PRIVATE COMPANIES
Vijay Krishna Shri

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government is aware that many Private Companies have scrapped their Initial Public Offerings (IPOs) before their closing dates;

(b) if so, the number of companies which have scrapped their IPOs during the last three months; and

(c) the action taken by the Government in this regard?

Answer

MINISTER OF CORPORATE AFFAIRS(SHRI PREM CHAND GUPTA)

(a) Yes, Sir.

(b) The details of IPOs withdrawn by three companies in last three months are as under: -

Name of Company	Issue Size as per original Price Band (Rs. Crore)	Open Period of Issue	Date of Withdrawal as indicated by the merchant banker	Reasons for withdrawal
Wockhardt Hospitals Ltd.	702-778	31.01.08 to 07.02.08	07.02.08	Minimum subscription not received
Emaar MGF Land Ltd.	7161-8100	01.02.08 to 11.02.08	08.02.08	Adverse market sentiments
SVEC Constructions Ltd.	34-38	04.02.08 to 13.02.08	12.02.08	Weak investor sentiment and weak market

(c) Various measures have been taken to develop a deep and liquid market and protect the interests of investors in securities while improving safety, transparency and efficiency of the market. The major reforms undertaken in this regard include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in derivatives, etc. The measures recently taken by SEBI in respect of public issues include qualified institutional placement, fast track issuances, use of electronic modes for IPO refunds, discount to discovered price for retail investors, etc.